



March 17, 2009

---

---

## ENGROSSED SENATE BILL No. 298

---

DIGEST OF SB 298 (Updated March 11, 2009 11:26 am - DI 14)

**Citations Affected:** IC 4-1; IC 4-30; IC 26-1.

**Synopsis:** Various lottery matters. Authorizes the lottery commission to obtain an individual's Social Security number in the course of an investigation of a vendor or retailer. Extends the period in which an instant prize may be claimed from 60 to 180 days after the end of the lottery game. Provides that the right to a prize in the state lottery is not considered an account for purposes of the Uniform Commercial Code. (This provision eliminates a conflict between the lottery law, which does not permit the right to a prize to be assigned, and the Uniform Commercial Code, which does.) Requires the lottery commission to deduct from a lottery prize amounts intercepted by law for payment to the state and pay the balance of the prize to the prize winner. (Current law requires the lottery commission to transfer the prize to the auditor of state who makes the deduction and pays the balance to the prize winner.)

**Effective:** July 1, 2009.

---

---

**Merritt, Stutzman**

(HOUSE SPONSORS — GRUBB, BELL)

---

---

January 7, 2009, read first time and referred to Committee on Commerce, Public Policy & Interstate Cooperation.

February 5, 2009, reported favorably — Do Pass.

February 9, 2009, read second time, ordered engrossed.

February 10, 2009, engrossed. Read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 25, 2009, read first time and referred to Committee on Public Policy.

March 16, 2009, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

---

---

C  
o  
p  
y

ES 298—LS 7345/DI 92+



March 17, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 298

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-1-8-1, AS AMENDED BY P.L.1-2007,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2009]: Sec. 1. (a) No individual may be compelled by any  
4 state agency, board, commission, department, bureau, or other entity of  
5 state government (referred to as "state agency" in this chapter) to  
6 provide the individual's Social Security number to the state agency  
7 against the individual's will, absent federal requirements to the  
8 contrary. However, the provisions of this chapter do not apply to the  
9 following:  
10 (1) Department of state revenue.  
11 (2) Department of workforce development.  
12 (3) The programs administered by:  
13 (A) the division of family resources;  
14 (B) the division of mental health and addiction;  
15 (C) the division of disability and rehabilitative services;  
16 (D) the division of aging; and  
17 (E) the office of Medicaid policy and planning;

ES 298—LS 7345/DI 92+



C  
o  
p  
y

of the office of the secretary of family and social services.

(4) Auditor of state.

(5) State personnel department.

(6) Secretary of state, with respect to the registration of broker-dealers, agents, and investment advisors.

(7) The legislative ethics commission, with respect to the registration of lobbyists.

(8) Indiana department of administration, with respect to bidders on contracts.

(9) Indiana department of transportation, with respect to bidders on contracts.

(10) Indiana professional licensing agency.

(11) Department of insurance, with respect to licensing of insurance producers.

(12) The department of child services.

(13) A pension fund administered by the board of trustees of the public employees' retirement fund.

(14) The Indiana state teachers' retirement fund.

(15) The state police benefit system.

(16) The alcohol and tobacco commission.

(17) The state department of health, for purposes of licensing radiologic technologists under IC 16-41-35-29(c).

**(18) The state lottery commission with respect to the investigations of retailers, vendors, and prize winners.**

(b) The bureau of motor vehicles may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in an application for an official certificate of title for any vehicle required to be titled under IC 9-17.

(2) That an individual include the individual's Social Security number on an application for registration.

(3) That a corporation, limited liability company, firm, partnership, or other business entity include its federal tax identification number on an application for registration.

(c) The Indiana department of administration, the Indiana department of transportation, and the Indiana professional licensing agency may require an employer to provide its federal employer identification number.

(d) The department of correction may require a committed offender to provide the offender's Social Security number for purposes of matching data with the Social Security Administration to determine benefit eligibility.

C  
o  
p  
y



(e) The Indiana gaming commission may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in any application for a riverboat owner's license, supplier's license, or occupational license.

(2) That a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity include its federal tax identification number on an application for a riverboat owner's license or supplier's license.

(f) Notwithstanding this chapter, the department of education established by IC 20-19-3-1 may require an individual who applies to the department for a license or an endorsement to provide the individual's Social Security number. The Social Security number may be used by the department only for conducting a background investigation, if the department is authorized by statute to conduct a background investigation of an individual for issuance of the license or endorsement.

SECTION 2. IC 4-30-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. Holders of lottery tickets are entitled to claim prizes for one hundred eighty (180) days after the drawing or at the end of the lottery game play in which the prize was won. ~~However, with respect to a game in which the player may determine instantly if the player has won or lost, the right to claim prizes exists for sixty (60) days after the end of the lottery game.~~ If a valid claim is not made for a prize within the applicable period, the prize is considered an unclaimed prize for purposes of section 9 of this chapter.

SECTION 3. IC 4-30-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The treasurer of state, the department of state revenue, the department of administration, the Indiana department of transportation, the attorney general, and the courts shall identify to the commission, in the form and format prescribed by the commission and approved by the auditor of state, a person who:

(1) owes an outstanding debt to a state agency;

(2) owes delinquent state taxes; or

(3) owes child support collected and paid to a recipient through a court.

(b) Before the payment of a prize of more than five hundred ninety-nine dollars (\$599) to a claimant identified under subsection (a), the commission shall **deduct the amount of the obligation from the prize money and** transmit the ~~prize money deducted amount~~ to the

C  
o  
p  
y



auditor of state. ~~who shall authorize payment of~~ **The commission shall pay the balance of the prize money** to the prize winner after deduction of the obligation. If a prize winner owes multiple obligations subject to offset under this section and the prize is insufficient to cover all obligations, the amount of the prize shall be applied as follows:

- (1) First, to the child support obligations owed by the prize winner that are collected and paid to a recipient through a court.
- (2) Second, to judgments owed by the prize winner.
- (3) Third, to tax liens owed by the prize winner.
- (4) Fourth, to unsecured debts owed by the prize winner.

Within each of the categories described in subdivisions (1) through (4), the amount and priority of the prize shall be applied in the manner that the auditor of state determines to be appropriate. The commission shall reimburse the auditor of state pursuant to an agreement under IC 4-30-15-5 for the expenses incurred by the auditor of state in carrying out the duties required by this section.

(c) As used in this section, "debt" means an obligation that is ~~evidence evidenced~~ by an assessment or lien issued by a state agency, a judgment, or a final order of an administrative agency.

SECTION 4. IC 26-1-9.1-102, AS AMENDED BY P.L.143-2007, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 102. (a) In IC 26-1-9.1:

- (1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.
- (2) "Account", except as used in "account for", means a right to payment of a monetary obligation, whether or not earned by performance:
  - (i) ~~(A)~~ for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of;
  - (ii) ~~(B)~~ for services rendered or to be rendered;
  - (iii) ~~(C)~~ for a policy of insurance issued or to be issued;
  - (iv) ~~(D)~~ for a secondary obligation incurred or to be incurred;
  - (v) ~~(E)~~ for energy provided or to be provided;
  - (vi) ~~(F)~~ for the use or hire of a vessel under a charter or other contract;
  - (vii) ~~(G)~~ arising out of the use of a credit or charge card or information contained on or for use with the card; or
  - (viii) ~~(H)~~ as winnings in a lottery or other game of chance operated or sponsored by a state **other than Indiana**, a governmental unit of a state, or a person licensed or authorized to operate the game by a state or governmental unit of a state.

C  
o  
p  
y



**The term does not include a right to a payment of a prize awarded by the state lottery commission in the Indiana state lottery established under IC 4-30.** The term includes health-care-insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting", except as used in "accounting for", means a record:

(A) authenticated by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than thirty-five (35) days earlier or thirty-five (35) days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(A) that secures payment or performance of an obligation for:

(i) goods or services furnished in connection with a debtor's farming operation; or

(ii) rent on real property leased by a debtor in connection with the debtor's farming operation;

(B) that is created by statute in favor of a person that:

(i) in the ordinary course of its business furnished goods or services to a debtor in connection with the debtor's farming operation; or

(ii) leased real property to a debtor in connection with the debtor's farming operation; and

(C) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(A) oil, gas, or other minerals that are subject to a security interest that:

(i) is created by a debtor having an interest in the minerals before extraction; and

C  
o  
p  
y



- 1 (ii) attaches to the minerals as extracted; or  
 2 (B) accounts arising out of the sale at the wellhead or  
 3 minehead of oil, gas, or other minerals in which the debtor had  
 4 an interest before extraction.  
 5 (7) "Authenticate" means:  
 6 (A) to sign; or  
 7 (B) to execute or otherwise adopt a symbol, or encrypt or  
 8 similarly process a record in whole or in part, with the present  
 9 intent of the authenticating person to identify the person and  
 10 adopt or accept a record.  
 11 (8) "Bank" means an organization that is engaged in the business  
 12 of banking. The term includes savings banks, savings and loan  
 13 associations, credit unions, and trust companies.  
 14 (9) "Cash proceeds" means proceeds that are money, checks,  
 15 deposit accounts, or the like.  
 16 (10) "Certificate of title" means a certificate of title with respect  
 17 to which a statute provides for the security interest in question to  
 18 be indicated on the certificate as a condition or result of the  
 19 security interest's obtaining priority over the rights of a lien  
 20 creditor with respect to the collateral.  
 21 (11) "Chattel paper" means a record or records that evidence both  
 22 a monetary obligation and a security interest in specific goods, a  
 23 security interest in specific goods and software used in the goods,  
 24 a security interest in specific goods and license of software used  
 25 in the goods, a lease of specific goods, or a lease of specific goods  
 26 and license of software used in the goods. In this subdivision,  
 27 "monetary obligation" means a monetary obligation secured by  
 28 the goods or owed under a lease of the goods and includes a  
 29 monetary obligation with respect to software used in the goods.  
 30 The term "chattel paper" does not include: (i) charters or other  
 31 contracts involving the use or hire of a vessel; or (ii) records that  
 32 evidence a right to payment arising out of the use of a credit or  
 33 charge card or information contained on or for use with the card.  
 34 If a transaction is evidenced by records that include an instrument  
 35 or series of instruments, the group of records taken together  
 36 constitutes chattel paper.  
 37 (12) "Collateral" means the property subject to a security interest  
 38 or agricultural lien. The term includes:  
 39 (A) proceeds to which a security interest attaches;  
 40 (B) accounts, chattel paper, payment intangibles, and  
 41 promissory notes that have been sold; and  
 42 (C) goods that are the subject of a consignment.

C  
o  
p  
y



(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(A) the claimant is an organization; or

(B) the claimant is an individual and the claim:

(i) arose in the course of the claimant's business or profession; and

(ii) does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(A) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or

(B) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(A) is registered as a futures commission merchant under federal commodities law; or

(B) in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.

(18) "Communicate" means:

(A) to send a written or other tangible record;

(B) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(C) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(19) "Consignee" means a merchant to which goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

C  
o  
p  
y





- 1 (A) the merchant:
- 2 (i) deals in goods of that kind under a name other than the
- 3 name of the person making delivery;
- 4 (ii) is not an auctioneer; and
- 5 (iii) is not generally known by its creditors to be
- 6 substantially engaged in selling the goods of others;
- 7 (B) with respect to each delivery, the aggregate value of the
- 8 goods is one thousand dollars (\$1,000) or more at the time of
- 9 delivery;
- 10 (C) the goods are not consumer goods immediately before
- 11 delivery; and
- 12 (D) the transaction does not create a security interest that
- 13 secures an obligation.
- 14 (21) "Consignor" means a person that delivers goods to a
- 15 consignee in a consignment.
- 16 (22) "Consumer debtor" means a debtor in a consumer
- 17 transaction.
- 18 (23) "Consumer goods" means goods that are used or bought for
- 19 use primarily for personal, family, or household purposes.
- 20 (24) "Consumer-goods transaction" means a consumer transaction
- 21 in which:
- 22 (A) an individual incurs an obligation primarily for personal,
- 23 family, or household purposes; and
- 24 (B) a security interest in consumer goods secures the
- 25 obligation.
- 26 (25) "Consumer obligor" means an obligor who is an individual
- 27 and who incurred the obligation as part of a transaction entered
- 28 into primarily for personal, family, or household purposes.
- 29 (26) "Consumer transaction" means a transaction in which (i) an
- 30 individual incurs an obligation primarily for personal, family, or
- 31 household purposes, (ii) a security interest secures the obligation,
- 32 and (iii) the collateral is held or acquired primarily for personal,
- 33 family, or household purposes. The term includes
- 34 consumer-goods transactions.
- 35 (27) "Continuation statement" means an amendment of a
- 36 financing statement that:
- 37 (A) identifies, by its file number, the initial financing
- 38 statement to which it relates; and
- 39 (B) indicates that it is a continuation statement for, or that it is
- 40 filed to continue the effectiveness of, the identified financing
- 41 statement.
- 42 (28) "Debtor" means:

C  
o  
p  
y



- 1 (A) a person having an interest, other than a security interest  
 2 or other lien, in the collateral, whether or not the person is an  
 3 obligor;  
 4 (B) a seller of accounts, chattel paper, payment intangibles, or  
 5 promissory notes; or  
 6 (C) a consignee.  
 7 (29) "Deposit account" means a demand, time, savings, passbook,  
 8 or similar account maintained with a bank. The term does not  
 9 include investment property or accounts evidenced by an  
 10 instrument.  
 11 (30) "Document" means a document of title or a receipt of the  
 12 type described in IC 26-1-7-201(b).  
 13 (31) "Electronic chattel paper" means chattel paper evidenced by  
 14 a record or records consisting of information stored in an  
 15 electronic medium.  
 16 (32) "Encumbrance" means a right, other than an ownership  
 17 interest, in real property. The term includes mortgages and other  
 18 liens on real property.  
 19 (33) "Equipment" means goods other than inventory, farm  
 20 products, or consumer goods.  
 21 (34) "Farm products" means goods, other than standing timber,  
 22 with respect to which the debtor is engaged in a farming operation  
 23 and which are:  
 24 (A) crops grown, growing, or to be grown, including:  
 25 (i) crops produced on trees, vines, and bushes; and  
 26 (ii) aquatic goods produced in aquacultural operations;  
 27 (B) livestock, born or unborn, including aquatic goods  
 28 produced in aquacultural operations;  
 29 (C) supplies used or produced in a farming operation; or  
 30 (D) products of crops or livestock in their unmanufactured  
 31 states.  
 32 (35) "Farming operation" means raising, cultivating, propagating,  
 33 fattening, grazing, or any other farming, livestock, or aquacultural  
 34 operation.  
 35 (36) "File number" means the number assigned to an initial  
 36 financing statement pursuant to IC 26-1-9.1-519(a).  
 37 (37) "Filing office" means an office designated in IC 26-1-9.1-501  
 38 as the place to file a financing statement.  
 39 (38) "Filing-office rule" means a rule adopted pursuant to  
 40 IC 26-1-9.1-526.  
 41 (39) "Financing statement" means a record or records composed  
 42 of an initial financing statement and any filed record relating to

C  
o  
p  
y



the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying IC 26-1-9.1-502(a) and IC 26-1-9.1-502(b). The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(44) "Goods" means all things that are movable when a security interest attaches. The term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the

**C  
o  
p  
y**



United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance that is a right to payment of a monetary obligation for health-care goods or services provided.

(47) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment. The term does not include (i) investment property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, that:

(A) are leased by a person as lessor;

(B) are held by a person for sale or lease or to be furnished under a contract of service;

(C) are furnished by a person under a contract of service; or

(D) consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization", with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(A) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(B) an assignee for benefit of creditors from the time of assignment;

(C) a trustee in bankruptcy from the date of the filing of the petition; or

(D) a receiver in equity from the time of appointment.

(53) "Manufactured home" means a structure, transportable in one

(1) or more sections, which, in the traveling mode, is eight (8)

C  
o  
p  
y



body feet or more in width or forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this subdivision except the size requirements, and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(A) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(B) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, that secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under IC 26-1-9.1-203(d) by a security agreement previously entered into by another person.

(57) "New value" means (i) money, (ii) money's worth in property, services, or new credit, or (iii) release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor", except as used in IC 26-1-9.1-310(c),

C  
o  
p  
y



means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under IC 26-1-9.1-203(d).

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to", with respect to an individual, means:

(A) the spouse of the individual;

(B) a brother, brother-in-law, sister, or sister-in-law of the individual;

(C) an ancestor or lineal descendant of the individual or the individual's spouse; or

(D) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to", with respect to an organization, means:

(A) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(B) an officer or director of, or a person performing similar functions with respect to, the organization;

(C) an officer or director of, or a person performing similar functions with respect to, a person described in clause (A);

(D) the spouse of an individual described in clause (A), (B), or (C); or

(E) an individual who is related by blood or marriage to an individual described in clause (A), (B), (C), or (D) and shares the same home with the individual.

(64) "Proceeds", except as used in IC 26-1-9.1-609(b), means the following property:

(A) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral.

(B) Whatever is collected on, or distributed on account of, collateral.

(C) Rights arising out of collateral.

(D) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral.

(E) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

C  
o  
p  
y



(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party that includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to IC 26-1-9.1-620, IC 26-1-9.1-621, and IC 26-1-9.1-622.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(A) debt securities are issued;

(B) all or a portion of the securities issued have an initial stated maturity of at least twenty (20) years; and

(C) the debtor, obligor, secured party, account debtor, or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment", with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record", except as used in "for record", "of record", "record or legal title", and "record owner", means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(A) the obligor's obligation is secondary; or

(B) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

(A) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(B) a person that holds an agricultural lien;

(C) a consignor;

C  
o  
p  
y



- 1 (D) a person to which accounts, chattel paper, payment  
 2 intangibles, or promissory notes have been sold;  
 3 (E) a trustee, indenture trustee, agent, collateral agent, or other  
 4 representative in whose favor a security interest or agricultural  
 5 lien is created or provided for; or  
 6 (F) a person that holds a security interest arising under  
 7 IC 26-1-2-401, IC 26-1-2-505, IC 26-1-2-711(3),  
 8 IC 26-1-2.1-508(5), IC 26-1-4-210, or IC 26-1-5.1-118.  
 9 (73) "Security agreement" means an agreement that creates or  
 10 provides for a security interest.  
 11 (74) "Send", in connection with a record or notification, means:  
 12 (A) to deposit in the mail, deliver for transmission, or transmit  
 13 by any other usual means of communication, with postage or  
 14 cost of transmission provided for, addressed to any address  
 15 reasonable under the circumstances; or  
 16 (B) to cause the record or notification to be received within the  
 17 time that it would have been received if properly sent under  
 18 clause (A).  
 19 (75) "Software" means a computer program and any supporting  
 20 information provided in connection with a transaction relating to  
 21 the program. The term does not include a computer program that  
 22 is included in the definition of goods.  
 23 (76) "State" means a state of the United States, the District of  
 24 Columbia, Puerto Rico, the United States Virgin Islands, or any  
 25 territory or insular possession subject to the jurisdiction of the  
 26 United States.  
 27 (77) "Supporting obligation" means a letter-of-credit right or  
 28 secondary obligation that supports the payment or performance of  
 29 an account, chattel paper, a document, a general intangible, an  
 30 instrument, or investment property.  
 31 (78) "Tangible chattel paper" means chattel paper evidenced by  
 32 a record or records consisting of information that is inscribed on  
 33 a tangible medium.  
 34 (79) "Termination statement" means an amendment of a financing  
 35 statement that:  
 36 (A) identifies, by its file number, the initial financing  
 37 statement to which it relates; and  
 38 (B) indicates either that it is a termination statement or that the  
 39 identified financing statement is no longer effective.  
 40 (80) "Transmitting utility" means a person primarily engaged in  
 41 the business of:  
 42 (A) operating a railroad, subway, street railway, or trolley bus;

C  
o  
p  
y





- 1 (B) transmitting communications electrically,  
 2 electromagnetically, or by light;  
 3 (C) transmitting goods by pipeline or sewer; or  
 4 (D) transmitting or producing and transmitting electricity,  
 5 steam, gas, or water.
- 6 (b) "Control" as provided in IC 26-1-7-106 and the following  
 7 definitions outside IC 26-1-9.1 apply to IC 26-1-9.1:
- 8 "Applicant" IC 26-1-5.1-102.  
 9 "Beneficiary" IC 26-1-5.1-102.  
 10 "Broker" IC 26-1-8.1-102.  
 11 "Certificated security" IC 26-1-8.1-102.  
 12 "Check" IC 26-1-3.1-104.  
 13 "Clearing corporation" IC 26-1-8.1-102.  
 14 "Contract for sale" IC 26-1-2-106.  
 15 "Customer" IC 26-1-4-104.  
 16 "Entitlement holder" IC 26-1-8.1-102.  
 17 "Financial asset" IC 26-1-8.1-102.  
 18 "Holder in due course" IC 26-1-3.1-302.  
 19 "Issuer" (with respect to a letter of credit or letter-of-credit right)  
 20 IC 26-1-5.1-102.  
 21 "Issuer" (with respect to a security) IC 26-1-8.1-201.  
 22 "Issuer" (with respect to documents of title) IC 26-1-7-102.  
 23 "Lease" IC 26-1-2.1-103.  
 24 "Lease agreement" IC 26-1-2.1-103.  
 25 "Lease contract" IC 26-1-2.1-103.  
 26 "Leasehold interest" IC 26-1-2.1-103.  
 27 "Lessee" IC 26-1-2.1-103.  
 28 "Lessee in ordinary course of business" IC 26-1-2.1-103.  
 29 "Lessor" IC 26-1-2.1-103.  
 30 "Lessor's residual interest" IC 26-1-2.1-103.  
 31 "Letter of credit" IC 26-1-5.1-102.  
 32 "Merchant" IC 26-1-2-104.  
 33 "Negotiable instrument" IC 26-1-3.1-104.  
 34 "Nominated person" IC 26-1-5.1-102.  
 35 "Note" IC 26-1-3.1-104.  
 36 "Proceeds of a letter of credit" IC 26-1-5.1-114.  
 37 "Prove" IC 26-1-3.1-103.  
 38 "Sale" IC 26-1-2-106.  
 39 "Securities account" IC 26-1-8.1-501.  
 40 "Securities intermediary" IC 26-1-8.1-102.  
 41 "Security" IC 26-1-8.1-102.  
 42 "Security certificate" IC 26-1-8.1-102.

**C**  
**O**  
**P**  
**Y**



- 1 "Security entitlement" IC 26-1-8.1-102.
- 2 "Uncertificated security" IC 26-1-8.1-102.
- 3 (c) IC 26-1-1 contains general definitions and principles of
- 4 construction and interpretation applicable throughout IC 26-1-9.1.

**C  
o  
p  
y**



COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill No. 298, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 298 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0.

---

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 298, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

GIAQUINTA, Chair

Committee Vote: yeas 8, nays 0.

C  
o  
p  
y

